

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

October 28, 2004

NORTHERN UTILITIES, INC.
Request for Approval of Affiliated Interest
Transaction with NiSource Corporate
Services Company

Docket No. 2004-537

STIPULATION AND
SETTLEMENT

Northern Utilities, Inc. – Maine (“Northern”) and the Office of Public Advocate (“OPA”) hereby agree and stipulate as follows:

I. PURPOSE

The purpose of this stipulation is to settle all issues raised in Docket No. 2004-537, to avoid a hearing on the issues raised in that docket, and to expedite the Public Utilities Commission’s (“Commission’s”) consideration and resolution of this proceeding. The provisions agreed to herein have been reached as a result of information initially filed in this proceeding, gathered through discovery, a technical session conducted at the Commission and from discussions between the parties in this case.

II. PROCEDURAL BACKGROUND

1. On June 30, 2004, Northern filed a proposed request for approval of an affiliate transaction, as required under 35-A M.R.S.A. sec. 707. The filing included Northern’s petition seeking approval of the agreement, the proposed agreement with NiSource Corporate Services Company (“NCSC”), as well as prefiled testimony in support of the approval submitted by Stephen H. Bryant, Northern’s President, and Vincent DeVito, NCSC’s Controller.

2. On September 29, 2004, a Technical Conference was held at the Commission’s offices in Augusta, which was attended by Staff, Northern’s witnesses and the OPA.

III. RECOMMENDED APPROVALS AND FINDINGS

Based on the record in this case, the parties to this Stipulation agree and recommend that the Commission conclude these proceedings by issuing an order that approves, accepts and adopts this Stipulation, including the following provisions:

1. The Agreement filed as Exhibit A to this Stipulation is not adverse to the public interest, as required by 35-A M.R.S.A. §707.
2. The parties agree that the Company shall fully comply with Chapter 820 of the Commission's rules in its performance of the subject Agreement. No waivers of Commission rules are necessary and no waivers are sought by the Company.
3. For charges under "Miscellaneous Services" provided under Appendix A, Article 2, to be recoverable in rates from Maine customers, such charges must be incurred only for services that could reasonably be considered to be appropriate for a natural gas LDC. The burden of demonstrating such appropriateness will rest with Northern at the time it seeks to recover such costs, if at all, in base rates.

IV. STIPULATIONS AS TO PROCEDURE

1. Staff Presentation of Stipulation. The parties to this Stipulation waive any rights they may have under 5 M.R.S.A. sec. 9062(4) and Section 742 of the Commission Rules of Practice and Procedure to the extent necessary to permit Staff to discuss this stipulation and the resolution of this matter with the Commissioners at the Commission's scheduled deliberations, without providing to the parties an Examiner's Report or the opportunity to file Exceptions.
2. Record. The record on which the parties enter into this Stipulation and on which the Commission may base its decision whether to accept and approve this Stipulation shall consist of (1) this Stipulation; (2) the Petition seeking approval of the NCSC Agreement; (4) the prefiled testimony of Stephen H. Bryant; (5) the prefiled testimony of Vincent DeVito; (6) Northern's response to written advisory data requests, formal and informal, issued by Staff; (7) Northern's response to oral data requests issued by Staff at the Technical Conference; and (8) the transcript of the Technical Conference and any other material furnished by the Staff to the Commission, either orally or in writing, to assist the Commission in deciding whether to accept and approve this Stipulation.
3. Non-Precedential Effect. This Stipulation shall not be considered legal precedent, nor shall it preclude a party from making any contention or exercising any rights, including the right of appeal, in any future Commission investigation or proceeding or any other trial or action.

4. Stipulation as an Integrated Document/ Void if Rejected. This Stipulation represents the full agreement between the parties to the Stipulation and rejection of any part of this Stipulation constitutes a rejection of the whole. If not accepted by the Commission according to its terms, this Stipulation shall be void and of no further force and effect.

Respectfully submitted this ___ day of October, 2004.

Office of Public Advocate
Stephen Ward, Public Advocate

By:_____

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